

Message Text

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SUBJECT: FORMER GOVERNMENT MINISTERS UNDER INVESTIGATION FOR
FRAUD

SUMMARY: SEVEN MINISTERS AND TWO UNDERSECRETARIES OF THE 1972-73 ANDREOTTI CENTER GOVERNMENT ARE UNDER INVESTIGATION FOR FRAUD. JUDICIAL AUTHORITIES ARE INVESTIGATING THEIR ROLE IN THE CHAIM PROMOTION OF TOP BUREAUCRATS IN MID-1973 TO PERMIT THEM TO TAKE ADVANTAGE OF A LAW GRANTING GENEROUS EXTRA PENSION BENEFITS FOR EARLY RETIREMENT. IF PAST PRACTICE IS INDICATION, THE PRESENT SCANDAL WILL EVENTUALLY BE SHELVED BY THE PARLIAMENTARY INQUIRY COMMISSION CHARGED WITH LOOKING INTO THE MATTER. END SUMMARY.

1. PRESS REPORTS INDICATE THAT THE ROME MAGISTRACY HAS PASSED TO THE PARLIAMENTARY INQUIRY COMMISSION THE RESULTS OF ITS INVESTIGATION INTO THE WAVE OF PROMOTIONS AND EARLY RETIREMENTS OF TOP GOVERNMENT BUREAUCRATS IN MID-1973 TO QUALIFY THEM FOR MAXIMUM PENSION BENEFITS. THE ROME PROSECUTOR HAS ASKED THE PARLIAMENTARY COMMISSION HAVING COMPETENCE IN THE MATTER TO INVESTIGATE SEVEN MINISTERS OF THE 1972-73 ANDREOTTI GOVERNMENT ON THE BASIS OF MATERIALS SUBMITTED BY THE MAGISTRACY AND TO AUTHORIZE THE MAGISTRACY TO PROCEED WITH ITS OWN
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INVESTIGATION OF TWO UNDERSECRETARIES INVOLVED IN

THE SAME CONTROVERSY. PRESS REPORTS AND EMBASSY SOURCES INDICATE THAT REQUESTS FROM THE ROME PROSECUTOR TO THE PARLIAMENTARY INQUIRY COMMISSION ON THE MINISTERS INVOLVED HAVE BEEN PENDING FOR AS MUCH AS 10 MONTHS.

2. THE MINISTERS IN THE 1972-73 ANDREOTTI GOVERNMENT IMPLICATED IN THE SCANDAL ARE CHRISTIAN DEMOCRATS GULLOTTI (PUBLIC WORKS), GASPARI (HEALTH), COPPO (LABOR) AND SCALFARO (EDUCATION); SOCIAL DEMOCRATS FERRI (INDUSTRY) AND MATTEOTTI (FOREIGN TRADE); AND LIBERAL PARTY MINISTER BADINI CONFALONIERI (TOURISM). THE UNDERSECRETARIES ALLEGEDLY INVOLVED ARE CHRISTIAN DEMOCRATS LIMA (FINANCE) AND PENNACCHINI (JUSTICE). OF THIS GROUP, ONLY GULLOTTI (HEALTH MINISTER) AND LIMA (BUDGET UNDERSECRETARY) ARE IN THE PRESENT GOVERNMENT. PRESS REPORTS INDICATE THAT THE ROME MAGISTRACY IS STILL STUDYING THE MANNER IN WHICH THE EARLY RETIREMENT LAW AS ADMINISTERED IN SEVERAL OTHER MINISTERIES AND THAT ADDITIONAL MATERIALS WILL BE TRANSMITTED TO THE PARLIAMENTARY INQUIRY COMMISSION.

3. THE JUNE 30, 1972, LAW ENCOURAGING THE EARLY RETIREMENT OF SENIOR BUREAUCRATS THROUGH INCREASED PENSION BENEFITS WAS CRITICIZED AT THE TIME IN THE PRESS AND BY THE COURT OF ACCOUNTS, WHICH REPORTEDLY APPROVED IT, WITH RESERVATIONS. IN ADDITION TO BEING A RATHER LOOSE PIECE OF LEGISLATION, IT APPEARS TO HAVE BEEN SLOPPILY INTERPRETED AND ADMINISTERED. SEVERAL THOUSAND SENIOR CIVIL SERVANTS TOOK ADVANTAGE OF ITS GENEROUS PROVISIONS TO RETIRE EARLY, AND SUCCESSIVE WAVES OF BUREAUCRATS PROMOTED TO REPLACE THEM IMMEDIATELY RETIRED TO TAKE ADVANTAGE OF THE SAME PROVISION PRIOR TO ITS EXPIRATION IN MID-1973.

4. COMMENT: THE PARLIAMENTARY INQUIRY COMMISSION UNDER ITS NEW PRESIDENT, ANGELO CASTELLI (CHRISTIAN DEMOCRAT IN LEFT-OF-CENTER DC FACTION LED BY PREMIER MORO), MUST EVALUATE THE INFORMATION TRANSMITTED TO IT BY THE MAGISTRACY OVER THE PAST MONTHS. THE FACT LIMITED OFFICIAL USE

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THAT CASTELLI IS NEW IN HIS POSITION MAY INDUCE HIM TO GIVE MORE THAN PRO FORMA CONSIDERATION TO THE INFORMATION RECEIVED. HOWEVER, THE COMMISSION HAS EFFECTIVELY DELAYED ACTION ON OTHER, MORE SENSATIONAL SCANDALS BEFORE IT (E.G., OIL COMPANY PAYOFFS, AND MONTEDISON USE OF QUOTE BLACK FUNDS UNQUOTE). EMBASSY SOURCES PREDICT THAT THE PRESENT SCANDAL WILL NOT LEAD TO JUDICIAL SANCTIONS AGAINST THE PROMINENT

POLITICIANS INVOLVED. VOLPE

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